MR. CHAIRMAN: Mr. Panda, will you be satisfied with a written answer? (*Interruptions*)

*184. *[The questioner (Shri Uday Pratap Singh) was absent. For answer vide page 26.]*

*185. *[The questioner (Shri A. Vijayaraghavan) was absent. For answer vide page 27.]*

*186. *[The questioner (Shri Abdul Wahab Peevee) was absent. For answer vide page 28.]*

Investment Commission

*187. SHRI RAJKUMAR DHOOT:
SHRI KARNENDU BHATTACHARJEE:†

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in Investment Commission has been formed or being formed;

(b) if so, the details thereof such as its constitution, terms of reference, jurisdiction, etc.;

(c) whether it would be a Standing Commission and submit recommendations periodically; and

(d) if not, whether it will be required to submit its final report by the end of its term?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) to (d) Terms of Reference of Investment Commission as approved by the Government are given below:

(i) The Investment Commission is constituted initially for a period of three years;

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†The question was actually asked on the floor of the House by Shri Karnendu Bhattacharjee.

(ii) The Investment Commission located within the Government (in the Ministry of Finance) will enjoy operational autonomy and Government support;

(iii) The Commission will seek meetings and visit with industrial groups/ houses in India and with large companies abroad, particularly in sectors where there is a dire need for investment but adequate investment has not flowed so far. The Commission will interact closely with the Boards of Directors of potential investing companies;

(iv) In respect of Indian investors, the Commission would also address the issue of bridging the gap between "announcements" and "proposals" and also the gap between "proposals" and "project implementation";

(v) The Commission will endeavour to secure a certain level of investment every year and its progress will be reviewed at the end of every quarter;

(vi) The Commission will make recommendations to Government both on policy and procedures to facilitate greater FDI flows into India.

SHRI KARNENDU BHATTACHARJEE: In your reply, you have only given the guidelines and terms of reference of the Investment Commission. I would like to know from the hon. Minister as to when the Investment Commission was constituted.

SHRI P. CHIDAMBARAM: Sir, the proposal for constituting an Investment Commission was approved by the Cabinet in October, 2004 and the notification was issued yesterday.

श्री संजय निरुपम: सभापति जी, इन्वैस्टमैंट, विशेषकर फॉरेन इन्वैस्टमैंट को प्रोमोट करने के लिए हमारे पास एक संस्था ऑलरेडी है, वह है एफ॰ आई॰ पी॰ बी॰। ऐसे में एफ॰ आई॰ पी॰ बी॰ के कामकाज में और इन्वैस्टमैंट कमीशन के कामकाज में क्या फर्क होगा? दूसरा, इन्वैस्टमैंट कमीशन के recommendations सीधे कहां जाएंगे? क्या वे एफ॰ आई॰ पी॰ बी॰ के पास जाएंगे या सीधे मंत्रालय के पास जायेंगे?

SHRI P. CHIDAMBARAM: Sir, I announced the Investment Commission in the Budget Speech. And now in my answer, I have given the terms of

reference of the Investment Commission. I would request the hon. Member to look at the terms of reference. the FIPB was a very different body, although it has within it investment promotion. As it turned out, it was only a one-stop service station, where all applications were received and the approvals of various Ministries and Departments were obtained and then communicated to the applicant. The FIPB was not a proactive investment seeking body. It was simply a body of Secretaries to the Government, who were clearing applications. What we contemplate is very different — a proactive investment-seeking body led by the private sector. This is a new idea and, I think, this idea deserves to be given a fair chance.

SHRI RAVI SHANKAR PRASAD: Sir, if I see the reply of the hon. Minister, there is a very interesting word under (ii) that 'the Investment Commission located within the Government will enjoy operational autonomy' and also facilitate investment. I am quite sure the hon. Minister would appreciate that foreign investment also substantially...(*Interruptions*)

MR. CHAIRMAN: Please come to your question.

SHRI RAVI SHANKAR PRASAD: Sir, my question is that depending upon the kind of political understanding on the need to have direct foreign investment: Is your Government committed to have Direct Foreign Investment, in the light of the coalition Government compulsions?

THE MINISTER OF PETROLEUM AND NATURAL GAS AND MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): Well, I can certainly say that this Government understands and need, place and context of Foreign Direct Investment better than the previous Government...(*Interruptions*)

SHRI RAVI SHANKAR PRASAD: His allies are sitting here. You can ask them. The memos, the understanding, the representation and the counter-representations are going on. My question was very clear...(*Interruptions*)

*188. *[The questioner (SHRI K.B. KRISHNA MURTHY) was absent. For answer vide page 29.]*

Supply of gas to Southern States

*189. SHRI V. NARAYANASAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to State:

(a) whether it is a fact that gas discovered by Reliance in the Krishna-